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SUBJECT: UN CAPITAL MASTER PLAN: GAO DISCUSSES TIMEFRAME  
AND FINANCING

¶1. SUMMARY: During the week of Aug. 7th, representatives from the Government Accountability Office in Washington, D.C. traveled to New York to meet with representatives of the Capital Master Plan (CMP) Office regarding the CMP schedule and draft graphic to be included in an upcoming report. CMP representatives helped answer questions concerning whether the representation of separate "tracks" for the project was accurate; the extent to which the timing of different project phases was flexible; the budget and financing of the project; the nature of the scope options; and the plans for an advisory board. They discussed the difficulty of representing the many possible scenarios and choices regarding each phase of the project in a single graphic, and also of the challenges in reaching an overall financing agreement for the project. The meeting served to clarify GAO understanding of the graphic and the phases and choices it represents for the CMP project. Additional details of the discussion, which was attended by US Mission officers, are contained in the following paragraphs.

¶2. The GAO representatives in attendance were Mr. John J. Marzullo, Ms. Maria Edelstein, and Ms. Valerie Nowak. They met with CMP representatives Mr. John Forster and Ms. Katherine Grenier, with USUN representatives Ms. Henley MacIntyre and Ms. Shannon Raj present as well.

¶3. With regard to the project "tracks," representatives from the GAO noted that they understood there were at least 3 distinct projects or activities, which they represented in the graphic. CMP representatives clarified that while the tracks represent separate activities, none of the activities are independent and all must be coordinated to fit together. There was, however, a certain degree of slippage that could occur at many stages without detriment to the progress of the project as a whole. Generally, one phase of the project may be able to afford a few months of slippage before it would negatively affect another phase; the phases are, nonetheless, significantly related.

¶4. A related timing issue was the CMP representatives, emphasis that definitive schedules were near impossible to set, given their project's dependence on outstanding Fifth Committee decisions. While general, year-to-year timeframes are outlined, far too many potential shifts, slippages and uncertainties existed to establish set monthly schedules. Timeframe approximations, therefore, were built into the sequence graphic.

¶5. Perhaps the most significant hindrance facing the project to date is the lack of an overall budget or financing agreement from the General Assembly. CMP representatives elaborated on some of the main issues involved, such as whether countries that paid their CMP contribution on time would be willing to pay possible interest accumulating on debt from countries that had not paid on time. They also explained that it was unclear from the UN Charter whether the UN could penalize a country that was in arrears. The lack of

a financing agreement will continue to present difficulties for the planning of the project, as CMP representatives were unwilling to pursue the signing of certain contracts without specific authority and money to do so.

¶16. Further, CMP representatives explained that they now needed authority for the full amount for the project. They explained that while the total amount need not physically be in the bank, there was a need for full authority to continue the project.

¶17. GAO representatives also inquired about the nature of the scope options, asking whether they are necessities or features essential to the project. CMP representatives explained that all security essentials have been included in the base project and are not represented as options.<sup>8</sup> However, they stressed that the CMP Office believes that the scope options are the right thing to do<sup>8</sup> and would advocate strongly for their inclusion, for the reason that these features would be easier and cheaper to include now rather than after CMP completion.

¶18. GAO representatives also were interested in plans for an advisory board, something they noted had been discussed earlier but had not yet materialized. Representatives of CMP were wholly in favor of the idea, believing that it could provide valuable general advice and be a useful sounding board,<sup>8</sup> but did not further clarify why a board does not yet exist.

¶19. CMP representatives noted that four decisions were still needed from the GA: on the overall budget, overall financing mechanism, scope options, and early action funding to cover early construction requirements, notably the technology center and destructive testing. (NOTE: This is the first USUN has heard about the need for additional interim

funding.) GAO has included the critical decision-making points -- both from the US delegation and the General Assembly -- within the sequence represented in the graphic, linking these decisions to different phases of action. With respect to timing, the CMP representatives stressed the importance of reaching certain decisions before the end of the year in order to avoid further delays.

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